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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Applications of WorldCom, Inc. and

MCI Communications Corporation for

Transfer of Control of MCI

Communications to WorldCom, Inc.

)

COMMENTS OF SPRINT CORPORATION

Sprint Corporation, pursuant to the Commission's Public Notice (DA 98-820) released April 29, 1998, in the above-captioned proceeding, hereby respectfully submits its Comments on the proposed protective order of WorldCom and MCI (collectively Applicants) in the above-referenced matter.

Sprint agrees confidential materials submitted to the Commission by parties to this proceeding must be subject to a protective order that "will ensure the confidentiality of such materials." Notice at 1. At the same time, interested parties must be afforded the opportunity to participate fully in this proceeding. Thus, the Commission's approach must be to "enable the parties that sign the protective order to have access to the [Applicants' confidential] materials subject to the terms and conditions of the protective order." Id. at 1.

The protective order proposed by the Applicants seeks to limit disclosure to "outside counsel for the parties to the

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instant proceeding..." April 27 Letter to Ms. Magalie Salas, Secretary, FCC from Andrew D. Lipman, Counsel for WorldCom and Anthony C. Epstein, Counsel for MCI ("Applicant's Letter") at 2. Such limitation is unjustified and "unfair." See Implementation of the Cable Television Consumer Protection And Competition Act of 1992, 10 FCC Rcd 1902, 1934, ¶71 (1994). Under ordinary circumstances, the selection of counsel by a party to a Commission proceeding is one for the party to make. Such party may choose to utilize in-house staff or retain outside counsel as workload demands, the nature of the issues involved, and other factors warrant. In this proceeding, Sprint has chosen to proceed by using in-house counsel: employees who have long experience representing Sprint before the Commission and who have been repeatedly trusted with confidential documents. There is no apparent reason -- and it certainly would be inefficient -- to require Sprint to switch counsel at this stage of the proceeding.

Moreover, Applicants have not offered any valid argument to limit disclosure of the documents in question to outside counsel. They simply state that such limitation is appropriate because the materials being requested by the Commission are "highly confidential" and were submitted to the Department of Justice ("Department") under statutory procedures, i.e., the Antitrust Civil Process Act and the Hart-Scott-Rodino Antitrust

Improvements Act ("HSR"), that restrict disclosure. Applicant's Letter at 1. But the fact that such documents "may contain privileged or confidential trade secrets and commercial or financial information that would not customarily be released to the public," id. at 2 (internal quotes omitted) does not justify denying in-house counsel who sign the protective order the opportunity to review the information in order to fully protect and represent the interests of their employer before the Commission in this proceeding. As noted, Sprint's in-house counsel have represented Sprint in many proceedings before this Commission in which they have gained access to highly confidential materials under protective orders. In not one of these proceedings has there even been the hint that Sprint's in-house counsel violated the terms of such protective orders.

Similarly, the fact that such materials have been submitted to the Department as part of the Hart-Scott-Rodino pre-merger review process does not justify preventing in-house counsel for the parties to the Commission's proceeding from reviewing such materials. Applicants cite no precedent in which the Commission barred in-house counsel of the parties involved from reviewing confidential materials on grounds that the documents involved were previously submitted to the Department under HSR. In fact, in the Bell Atlantic/Nynex merger case, the Commission required Hart-Scott-Rodino documents submitted by Bell Atlantic and Nynex

to be made available to parties to that proceeding pursuant to a protective order that did not restrict such disclosure to outside counsel. Applications of Nynex and Bell Atlantic for Consent to Transfer Control of Nynex Corporation and Its Subsidiaries, 9 Communications Reg. (P&F) 187 (1997).

Sprint recognizes, of course, that in certain proceedings the Commission may find it necessary to limit the disclosure of confidential materials to outside counsel of the parties to a proceeding regardless of the burdens such limitation may impose. In this regard, the Commission recently issued a decision in which it limited access to sensitive information of the submitting party to outside counsel. In Re Applications of TCI Satellite Entertainment and Primestar, Order Adopting Protective Order, 1998 WL 166172 (F.C.C.) (released April 10, 1998). It found that such limitation was "appropriate in this proceeding" (¶4) in which the in-house counsel for one of the parties -- Primestar's main competitor -- is one of the key decision-makers in the company both with respect to current business operations and future business plans.

Such unique factors are not present in the instant proceeding. The in-house counsel representing Sprint in this matter are not engaged in making business decisions. Nor are they involved in Sprint's strategic planning efforts. Of course, they may be aware of Sprint's business plans (as may be

the case for outside counsel as well); but the responsibility of Sprint's inside counsel here is to represent Sprint's interests before this Commission and other government agencies in light of such plans.

In any case, under the terms of the proposed protective order, Sprint will be required to identify for the benefit of MCI and WorldCom the in-house counsel that are seeking access to confidential materials at least five business days before such counsel are permitted to review to the confidential documents. This will enable both MCI and WorldCom to voice any reasonable objections to giving specific counsel, who they may suspect are too closely tied to Sprint's business planning activities, access to such materials. This is all that is necessary to protect MCI's and WorldCom's legitimate interests in protecting the confidentiality of their sensitive documents in a public proceeding.

¹Outside counsel can also be in-house employees of the clients they represent. In this regard, one of the signatories of the Applicant's Letter here was at one time the general counsel of MFS (one of WorldCom's previous acquisitions) as well as outside counsel to the company.

Accordingly, Sprint respectfully requests that the Commission modify the proposed protective order to allow inhouse counsel of the parties to gain access to confidential materials of MCI and WorldCom.

Respectfully submitted,

SPRINT CORPORATION

Leon/M. Kestenbaum

Jay C. Keithley

Michael B. Fingerhut

1850 M Street, N.W., 11th Floor

Washington, D.C. 20036

(202) 828-7438

Its Attorneys

May 7, 1998

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Comments** of Sprint Corporation was sent by hand or by United States first-class mail, postage prepaid, on this the $7^{\rm th}$ day of May, 1998 to the parties on the attached list.

Christine Jackson

May 7, 1998

Daniel B. Phythyon, Chief
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W.
Room 5002
Washington, DC 20554

Chairman William E. Kennard*
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

Commissioner Harold Furchtgott-Roth* Federal Communications Commission 1919 M Street, N.W. Room 802 Washington, D.C. 20554

Commissioner Gloria Tristani*
Federal Communications Commission
1919 M Street, N.W.
Room 826
Washington, D.C. 20554

Rebecca L. Dorch
Competition Division
Office of General Counsel
Federal Communications Commission
1919 M Street, N.W.
Room 650-F
Washington, DC 20554

Thomas C. Power*
Office of the Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, DC 20554

Commissioner Susan Ness*
Federal Communications Commission
1919 M Street, N.W.
Room 832
Washington, D.C. 20554

Commissioner Michael Powell*
Federal Communications Commission
1919 M Street, N.W.
Room 844
Washington, D.C. 20554

Magalie Roman Salas*
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Office of the Chief*
Network Services Division
Federal Communications Commission
2000 M Street, N.W.
Room 235
Washington, DC 20554

Anna M. Gomez, Deputy Chief*
Network Services Division
Common Carrier Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 235
Washington, DC 20554

Janice Myles*
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

James Casserly*
Office of Commissioner Ness
Federal Communications Commission
1919 M Street, N.W.
Room 832
Washington, DC 20554

Paul Gallant*
Office of Commissioner Tristani
Federal Communications Commission
1919 M Street, N.W.
Room 826
Washington, DC 20554

Lawrence Strickling, Chief Competition Division Office of the General Counsel Federal Communications Commission 1919 M Street, N.W. Room 658 Washington, DC 20554 Greg Cooke*
Common Carrier Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 235
Washington, DC 20554

International Reference Room
International Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 102
Washington, DC 20554

Kyle Dixon*
Office of Commissioner Powell
Federal Communications Commission
1919 M Street, N.W.
Room 844
Washington, DC 20554

Melissa Waksman*
Office of Commissioner Furchtgott-Roth
Federal Communications Commission
1919 M Street, N.W.
Room 802
Washington, DC 20554

Kent Nilsson, Deputy Chief*
Network Services Division
Common Carrier Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 235
Washington, DC 20554

William B. Barfield
Jonathan Banks
BELLSOUTH CORPORATION
Suite 1800
1155 Peachtree Street, N.E.
Atlanta, Georgia 30309-3610

John J. Sweeney
President
American Federation of Labor and Congress
of Industrial Organizations
815 16th Street, N.W.
Washington, D.C. 20006

David Honig Special Counsel Rainbow/PUSH Coalition 3636 16th Street, N.W., #B-366 Washington, D.C. 20010

Wireless Reference Room (2 Copies)
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W.
Room 5608
Washington, DC 20554

Richard E. Wiley
R. Michael Senkowski
Jeffrey S. Linder
Peter D. Shields
WILEY, REIN & FIELDING
1776 K Street, N.W.
Washington, D.C. 20006

George Kohl
Senior Executive Director, Research and
Development
Communications Workers of America
501 Third Street, N.W.
Washington, D.C. 20001-2797

Janice Mathis
General Counsel
Rainbow/PUSH Coalition
Thurmond, Mathis & Patrick
1127 W. Hancock Avenue
Athens, GA 30603

Matthew R. Lee, Esq.
Executive Director
Inner City Press/Community on the Move &
Inner City Public Interest Law Project
1919 Washington Avenue
Bronx, NY 10457

International Transcription Services, Inc. 2100 M Street, N.W.
Suite 140
Washington, DC 20037

Michelle Carey Common Carrier Bureau Feceral Communications Commission 1919 M Street, N.W. Room 544 Washington, D.C. 20554 Anthony C. Epstein
John B. Morris
Ian H. Gershengorn
JENNER & BLOCK
601 Thirteenth St., N.W.
Washington, D.C. 20005
(202) 659-6000

Alan Y. Naftalin
Gregory C. Staple
R. Edward Price
KOTEEN & NAFTALIN, L.L.P.
1150 Connecticut Avenue, N.W.
Washington, D.C. 20036

John T. Nakahata, Chief of Staff*
Office of the Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, DC 20554

A. Richard Metzger, Chief*
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W.
Room 500
Washington, DC 20554

Andrew D. Lipman
Jean L. Kiddoo
Michael W. Fleming
Counsel for WorldCom
Swidler & Berlin, Chartered
3000 K St., N.W., Suite 300
Washington, D.C. 20007

Catherine R. Sloan Robert S. Koppel WORLDCOM, INC. 1120 Connecticut Avenue, N.W. Washington, D.C. 20036 (202) 424-1. 50

Andrew Jay Schwartzman Gigi B. Sohn Joseph S. Paykel Media Access Project Suite 400 1707 L Street, N.W. Washington, D.C. 20036

Thomas A. Hart, Jr.
Amy E. Weissman
M. Tamber Christian
GINSBERG, FELDMAN AND BRESS
Chartered
1250 Connecticut Avenue, N.W.
Washington, D.C.

Regina M. Keeney, Chief*
International Bureau
Federal Communications Commission
2000 M Street, N.W.
Room 800
Washington, DC 20054

Michael H. Salsbury
Mary L. Brown
Larry A. Blosser
MIC Communications Corp.
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006

Ramsey L. Woodworth Rudolph J. Geist WILKES, ARTIS, HEDRICK & LANE, Chartered 1666 K Street, N.W., Suite 1100 Washington, D.C. 20006

Andrew Lipman, Esq.
Counsel for WorldCom, Inc.
Anthony Epstein, Esq.
Counsel for MCI
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116

John Thorne
Sarah Deutsch
Robert H. Griffen
Attorneys for Bell Atlantic
1320 North Court House Road
8th Floor
Arlington, VA 22201